

SENATE BILL 1275

By Briggs

AN ACT to amend Tennessee Code Annotated, Title 8;  
Title 56, Chapter 7; Title 68 and Title 71, relative to  
medical laboratories.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 23, is amended by  
adding the following as a new section:

(a) As used in this section:

(1) "Managed health insurance issuer" has the same meaning as defined  
in § 56-32-128(a); and

(2) "Medical laboratory" has the same meaning as defined in § 68-29-  
103.

(b) A health insurance issuer or a managed health insurance issuer shall not:

(1) Deny a licensed medical laboratory the right to participate as a  
participating provider in a policy, contract, or plan on the same terms and  
conditions as are offered to another medical laboratory under the policy, contract,  
or plan; provided, that this subdivision (b)(1) does not prohibit a managed health  
insurance issuer or health insurance issuer from establishing rates or fees that  
may be higher in nonurban areas, or in specific instances where a managed  
health insurance issuer or health insurance issuer determines it necessary to  
contract with a particular provider in order to meet network adequacy standards  
or patient care needs; and

(2) Prevent a person who is a party to or beneficiary of a policy, contract,  
or plan from selecting a licensed medical laboratory of the person's choice to

furnish the medical laboratory services offered under the contract, policy, or plan; provided, that the medical laboratory is a participating provider under the same terms and conditions of the contract, policy, or plan as those offered to another medical laboratory.

(c) Notwithstanding this chapter to the contrary, a health insurance issuer or managed health insurance issuer may restrict an abusive or heavy utilizer of medical laboratory services to a single medical laboratory for nonemergency services, so long as the individual to be restricted has been afforded the opportunity to participate in the process of selection of the medical laboratory to be used, or has been given the right to change the medical laboratory to be used to another participating provider of medical laboratory services prior to the restriction becoming effective. After a restriction is effective, the restricted individual may change a medical laboratory assignment based on geographic changes in residence or if the member's needs cannot be met by the currently assigned medical laboratory.

(d) Each health insurance issuer or managed health insurance issuer shall apply the same coinsurance, co-payment, deductible, and quantity limit factors within the same employee group and other plan-sponsored groups to all medical laboratory services provided by a licensed medical laboratory; provided, that all medical laboratories comply with the same terms and conditions.

(e) This section does not prohibit:

(1) A health insurance issuer or managed health insurance issuer from applying different coinsurance, co-payment, and deductible factors within the same employer group and other plan-sponsored groups; or

(2) Prohibit an employer or other plan-sponsored group from offering multiple options or choices of health insurance benefit plans, including, but not limited to, cafeteria benefit plans.

SECTION 2. This act takes effect July 1, 2023, the public welfare requiring it, and applies to policies, contracts, and plans entered into, amended, issued, or renewed on or after that date.